FSC-18-A	3/5/97
SUBJECT: RJR Lockout Calls/PM Exclusive Calls	

DISTRIBUTION:

X AVP	X KAM	___ DM
X RSM	X AM	___ RM
X RBM	X AE	___ REP
X ROM		

Sales		Retail	
1221		1222	
1222		1223	
1223		1226	
1224		1229	
1225		ROM	
1226		PC	SC
1229		MC	PA
1240			
1244		RSM	RBM

The following definition is being provided in order to clarify any misunderstanding associated with promotional support associated to RJR Lockout accounts:

RJR Lockout is an account that has refused to participate in an RJR offered, merchandising/ presence program **and is** participating with other tobacco manufacturers.

- Since the account has chosen not to participate in an RJR merchandising program, we are "locked out" from maximum opportunity to build our business and have therefore, pulled all promotional resources including:

  - Retail Accrual
  - National Pack/Carton Promotions
  - Gap/Ceiling/SALEM Matching Strategy
  - Direct Marketing
  - DPC
  - Any other promotional resources

- If the account is not eligible for an RJR contract and it was not RJR's choice to have a merchandising agreement in place, the account should not be considered an RJR Lockout. This account could be eligible for DPC only.

PM Exclusive is an account that has signed a PM exclusive merchandising agreement. As a tracking mechanism, it is necessary to maintain an accurate accounting of PM exclusive accounts so that field sales (internal and external) can track this critical competitive activity. In summary, a PM exclusive is a contract while an RJR lockout is a condition.

Frequently asked questions

Q.) If an account refuses a contract from all companies would we consider the account to be an RJR lockout ?

A.) No, because this account has not disadvantaged RJR in favor of another tobacco company.

Q.) If an account refuses an RJR contract and accepts a PM exclusive contract should the call be designated as an RJR Lockout or as a PM Exclusive or both?

A.) In this case both the RJR Lockout and the PM exclusive designations apply. Remember, the RJR Lockout designation is in place to determine promotional resource eligibility. Please reference the attached Promotion Guideline Matrix. The PM Exclusive designation is in place for competitive activity tracking.

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Source: https://www.industrydocuments.ucsf.edu/docs/jxbp0000

Q.) Describe a PM exclusive but not an RJR lockout scenario.

A.) Two situations come to mind. 1.) If the account does not qualify for an RJR contract because of volume but PM has an exclusive contract in place. This is not an RJR lockout and the low volume DPC program could be made available 2.) A Traditional carton outlet can have PM Exclusive and an RJR Meeting Competition carton contract (i.e., Wal*Mart). In this case the PM Exclusive designation would apply.

Beginning April 1, the Expert System will be enhanced to do the following regarding RJR lockout and PM exclusive calls:

1. Suggest a zero discount for all brands in an RJR lockout call (as defined by a code 16 in the merchandising tables).

2. Suggest a zero discount for all brands in PM exclusive pack accounts.

3. Suggest a value discount for all brands (based on the grid) in PM exclusive carton accounts that have a meeting competition plan (old Level 1).

4. Suggest a zero discount for all brands in PM exclusive carton accounts that do not have a meeting competition plan (old Level 1).

Please refer to the attached matrix which was in your 1997 plans book for additional reference. It has been updated to include all CTS contracts.

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R. J. REYNOLDS TOBACCO COMPANY

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Source: https://www.industrydocuments.ucsf.edu/docs/jxbp0000

PROMOTION GUIDELINES / MATRIX

RJR RESOURCE ALLOCATION MATRIX
1997 PLAN FOR RJR CONTRACTED ACCOUNTS

[illegible]	RETAIL ACCRUAL	BASE NATIONAL WORKPLAN	CEILING STRATEGY	GAP STRATEGY	DIRECT MKTG	DPC	SUPERMARKET CARTON PROMO	CIG OUTLET CARTON PROMO	CIG OUTLET PACK PROMO
RJR "LOCK-OUT" CALLS	NO	NO	NO	NO	NO	NO	NO	NO	NO
NON-CONTRACTED LOW VOLUME PACK OUTLET	NO	NO	NO	NO	NO	YES	NO	NO	NO
RETAIL ASSIST PACK OUTLET	NO	NO	YES	YES	NO	YES	NO	NO	NO
LEVEL 1 PACK OUTLETS	L1 ONLY	YES	YES	YES	NO	NO	NO	NO	NO
LEVEL 2 PACK OUTLETS	L1,L2 OR L3	YES	YES	YES	YES	NO	NO	NO	NO
LEVEL 3 PACK OUTLETS	L1,L2 OR L3	YES	YES	YES	YES	NO	NO	NO	NO
RETAIL ASSIST CARTON OUTLET	NO	NO	YES	*YES	NO	NO	NO	NO	NO
MEETING COMPETITION CARTON OUTLETS	L1,L2 OR L3	NO	YES	*YES	NO	NO	NO	NO	NO
LEVEL 2 CARTON OUTLETS	L1,L2 OR L3	NO	YES	*YES	YES	NO	YES	NO	NO
EXTERIOR SIGNAGE CONTRACT CIGARETTE /TOBACCO STORES	L1,L2 OR L3	NO	YES	*YES	**YES	NO	NO	YES	YES
LEVEL 2 CIGARETTE/TOBACCO STORES	L1,L2 OR L3	NO	YES	*YES	**YES	NO	NO	YES	YES
LEVEL 2 ENHANCED CIGARETTE/TOBACCO STORES	L1,L2 OR L3	NO	YES	*YES	**YES	NO	NO	YES	YES
LEVEL 3 CIGARETTE/TOBACCO STORES	L1,L2 OR L3	NO	YES	YES	**YES	NO	NO	YES	YES
HIGH SAVINGS CIGARETTE/TOBACCO STORES	L1,L2 OR L3	NO	YES	NO	NO	NO	NO	YES	YES

* ONLY IF IDENTIFIED ON PROMOTION RESPONSIVENESS MODEL. SEE RBM FOR CLARIFICATION BY MARKET AND BRAND.
** ON A TARGETED BASIS FOR CIGARETTE OUTLET CHAINS. MUST BE APPROVED BY RSM.

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Source: https://www.industrydocuments.ucsf.edu/docs/jxbp0000